

2005**Passive Activity Loss Limitations**

Attach to Form 540, Long Form 540NR, Form 541, or Form 100S (S Corporations).

3801

Name(s) as shown on return

Social security no., Calif. corporation no., or FEIN

Part I 2005 Passive Activity Loss**Caution:** See the instructions for Worksheet 1 and Worksheet 3 for federal Form 8582 before completing Part I. Be sure to use California amounts.**Rental Real Estate Activities with Active Participation**

1a Activities with net income from Worksheet 1, column (a)	1a	0010		
1b Activities with net loss from Worksheet 1, column (b)	1b	(0020)		
1c Prior year unallowed losses from Worksheet 1, column (c). See instructions ..	1c	(0030)		
1d Combine line 1a, line 1b, and line 1c	1d		0040	

All Other Passive Activities

2a Activities with net income from Worksheet 2, column (a)	2a	0050		
2b Activities with net loss from Worksheet 2, column (b)	2b	(0060)		
2c Prior year unallowed losses from Worksheet 2, column (c). See instructions ..	2c	(0070)		
2d Combine line 2a, line 2b, and line 2c	2d		0080	
3 Combine line 1d and line 2d. If the result is net income or zero, see the instructions for line 3. If line 3 and line 1d are losses, go to line 4. Otherwise, enter -0- on line 9 and go to line 10. See instructions	3		0090	

Part II Special Allowance for Rental Real Estate with Active Participation**Note:** Enter all numbers in Part II as positive amounts. See instructions.

4 Enter the smaller of the loss on line 1d or the loss on line 3	4	0100		
5 Enter \$150,000. If married filing a separate return, see instructions	5	0110		
6 Enter federal modified adjusted gross income, but not less than zero. See instructions. Note: If line 6 is equal to or more than line 5, skip line 7 and line 8, enter -0- on line 9, and then go to line 10. Otherwise, go to line 7	6	0120		
7 Subtract line 6 from line 5	7	0130		
8 Multiply line 7 by 50% (.50). Do not enter more than \$25,000	8		0140	
9 Enter the smaller of line 4 or line 8	9		0150	

Part III Total Losses Allowed

10 Add the income, if any, from line 1a and line 2a and enter the total	10	0160		
11 Total losses allowed from all passive activities for 2005. Add line 9 and line 10. See the instructions on Side 2 to find out how to report the losses on your tax return	11	0170		

California Worksheets

Attach Side 2 to your California tax return.

California Passive Activity Worksheet (See General Instructions for Step 1.)

Use this worksheet to figure California income (loss) from passive activities **before** application of passive activity loss (PAL) rules.

(a) Passive Activity Enter a description of the activity	(b) Federal Schedule Enter the name of the federal form or schedule on which you reported the activity	(c) California Schedule Enter the name of the California form or schedule, if any, used to calculate the California adjustment	(d) Federal Amount Enter your current year federal net income (loss) before application of the PAL rules	(e) California Adjustment Enter any adjustment resulting from differences in federal and California law	(f) California Amount Combine column (d) and column (e)
*0190	+0200	+0210	+0220	+0230	+0240
0250	0260	0270	0280	0290	0300
0310	0320	0330	0340	0350	0360
0370	0380	0390	0400	0410	0420
0430	0440	0450	0460	0470	0480
0490	0500	0510	0520	0530	0540
0550	0560	0570	0580	0590	0600

California Adjustment Worksheets (See General Instructions for Step 4.)

Use these worksheets to figure your California adjustments **after** application of the PAL rules.

(a) Activities Enter a description of the activity. Group activities by the federal schedules on which they were reported	(b) Passive or Nonpassive Enter the passive or nonpassive character of the activity for California purposes	(c) California Amount Enter the California net income (loss) from the activity after application of the PAL rules	(d) Federal Amount Enter the federal net income (loss) from the activity after application of the PAL rules	(e) California Adjustment Subtract the Total amount of column (d) from the Total amount of column (c) and enter the difference in column (e) below. Individuals should transfer this amount to Schedule CA (540 or 540NR) as follows:
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(a) Schedule C Activities	(b) Passive or Nonpassive	(c) California Amount	(d) Federal Amount	(e) California Adjustment
*0610	+0620	+0630	+0640	If the amount below is positive , transfer the amount to Schedule CA (540 or 540NR), line 12, column C.
0650	0660	0670	0680	
0690	0700	0710	0720	
0730	0740	0750	0760	
0770	0780	0790	0800	If the amount below is negative , transfer the amount to Schedule CA (540 or 540NR), (as a positive amount) line 12, column B.
0810	0820	0830	0840	
0850	0860	0870	0880	
Total		1(c) 0890	1(d)* 0900	1(e) 0910

(a) Schedule E Activities	(b) Passive or Nonpassive	(c) California Amount	(d) Federal Amount	(e) California Adjustment
*0920	+0930	+0940	+0950	If the amount below is positive , transfer the amount to Schedule CA (540 or 540NR), line 17, column C.
0960	0970	0980	0990	
1000	1010	1020	1030	
1040	1050	1060	1070	
1080	1090	1100	1110	If the amount below is negative , transfer the amount to Schedule CA (540 or 540NR), (as a positive amount) line 17, column B.
1120	1130	1140	1150	
1160	1170	1180	1190	
Total		2(c) 1200	2(d)** 1210	2(e) 1220

(a) Schedule F Activities	(b) Passive or Nonpassive	(c) California Amount	(d) Federal Amount	(e) California Adjustment
*1230	+1240	+1250	+1260	If the amount below is positive , transfer the amount to Schedule CA (540 or 540NR), line 18, column C.
1270	1280	1290	1300	
1310	1320	1330	1340	
1350	1360	1370	1380	
1390	1400	1410	1420	If the amount below is negative , transfer the amount to Schedule CA (540 or 540NR), (as a positive amount) line 18, column B.
1430	1440	1450	1460	
1470	1480	1490	1500	
Total		3(c) 1510	3(d)** 1520	3(e) 1530

* This amount should be the same as the amount reported on Schedule CA (540 or 540NR), column A, line 12.

** This amount should be the same as the amount reported on Schedule CA (540 or 540NR), column A, line 17.

*** This amount should be the same as the amount reported on Schedule CA (540 or 540NR), column A, line 18.